

Department of Defense

§9901.311

Competencies has the meaning given that term in §9901.103.

Contribution has the meaning given that term in §9901.103.

Contribution assessment means the determination made by the pay pool manager as to the impact, extent, and scope of contribution that the employee's performance made to the accomplishment of the organization's mission and goals.

CONUS or *Continental United States* means the States of the United States, excluding Alaska and Hawaii, but including the District of Columbia.

Extraordinary pay increase or *EPI* means a discretionary basic pay increase or bonus to reward an employee at the highest performance level who has been assigned the maximum number of shares available under the rating and contribution scheme when the payout formula does not adequately compensate them for the employee's extraordinary performance and contribution, as described in §9901.344(b).

Local market supplement means a geographic- and occupation-based supplement to basic pay, as described in §9901.332.

Modal rating means, for the purpose of pay administration, the most frequent rating of record assigned to employees in the same pay band within a particular pay pool for a particular rating cycle.

Pay band or *band* has the meaning given that term in §9901.103.

Pay pool means the organizational elements/ units or other categories of employees that are combined for the purpose of determining performance payouts. Each employee is in only one pay pool at a time. *Pay pool* also means the amount designated for performance payouts to employees covered by a pay pool.

Pay schedule has the meaning given that term in §9901.103.

Performance has the meaning given that term in §9901.103.

Performance payout means the total monetary value of a performance pay increase and bonus provided under §9901.342.

Performance share means a unit of performance payout awarded to an employee based on performance. Performance shares may be awarded in mul-

tiples commensurate with the employee's performance and contribution rating level.

Performance share value means a calculated value for each performance share based on pay pool funds available and the distribution of performance shares across employees within a pay pool, expressed as a percentage or fixed dollar amount.

Promotion has the meaning given that term in §9901.103.

Rating of record has the meaning given that term in §9901.103.

Reassignment has the meaning given that term in §9901.103.

Reduction in band has the meaning given that term in §9901.103.

Standard local market supplement means the local market supplement that applies to employees in a given pay schedule or band who are stationed within a specified local market area (the boundaries of which are defined under §9901.332(b)), unless a targeted local market supplement applies.

Targeted local market supplement means a local market supplement established to address recruitment or retention difficulties or other appropriate reasons and which applies to a defined category of employees (based on occupation or other appropriate factors) in lieu of the standard local market supplement that would otherwise apply.

Unacceptable performance has the meaning given that term in §9901.103.

§9901.305 Bar on collective bargaining.

Pursuant to 5 U.S.C. 9902(f)(4) and (m)(7), any pay program established under authority of this subpart is not subject to collective bargaining. This bar on collective bargaining applies to all aspects of the pay program, including but not limited to coverage decisions, the design of pay structures, the setting and adjustment of pay levels, pay administration rules and policies, and administrative procedures and arrangements.

OVERVIEW OF PAY SYSTEM

§9901.311 Major features.

Through the issuance of implementing issuances, the Secretary will